Attorney's Docket No.:10559-230001/P8462

REMARKS

Reconsideration and allowance of the above-referenced application are respectfully requested. New claims and claim amendments are presented herein to obviate the current rejection. No new matter has been added.

Claims 1, 4, 19, 32, and 34 stand rejected under 35 USC § 102(e) as allegedly being anticipated by Hazara. Claims 7, 9, 10, and 12 stand rejected under 35 USC § 102(e) as allegedly being anticipated by Li. Claims 2, 3, 5, and 6 stand rejected under 35 USC § 103(a) as allegedly being unpatentable over Hazra in combination with Li. Claims 13, 14, 16, and 17 stand rejected under 35 USC § 103(a) as allegedly being unpatentable over Li in combination with Li. Claim 20 stands rejected under 35 USC § 103(a) as allegedly being unpatentable over Hazra in combination with Li. These rejections are respectfully traversed.

Claim 1 has been amended to recite "selecting threshold values based upon the amount of available bandwidth for each of the multiple layers; and forming multiple layers of digital video enhancement data based on magnitudes of data coefficients in digital video greater than the selected threshold for each multiple layer" (for support, see, inter alia, previous claim

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2, page 18, line 1 to page 21, line 12). Claims 4, 19, 40, 43, and 45 recite similar limitations.

Li has been cited as describing the selection of a threshold value based upon bandwidth requirements and generating a layer of video enhancement data based upon the threshold value. However, Li describes an arrangement in which bitstreams are multiplexed together with different priority identifiers (see, inter alia, Li col. 5, lines 47-67). These priority identifiers are not used in forming bitstream layers that are based on magnitudes above such priority identifiers, but rather, are used to determine a delivery priority of the bitstream layers. Therefore, Li does not suggest selecting threshold values for each of multiple layers and forming the multiple layers based on magnitudes of data coefficients in digital video greater than the selected thresholds.

It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as
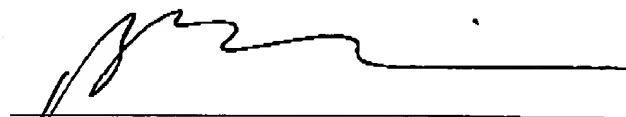
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specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

Applicant asks that all claims be allowed. Please apply any other charges or credits to Deposit Account No. 06-1050.

Respectfully submitted,

Date: _8/26/05_

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